



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY
ACQUISITION LOGISTICS AND TECHNOLOGY
103 ARMY PENTAGON
WASHINGTON DC 20310-0103

06 SEP 2001

SAAL-PS

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Performance-Based Service Acquisition (PBSA) Implementation

Since at least 1994, it has been the unambiguous policy of the Army to use performance-based acquisition methods to the maximum extent practicable. Furthermore, the Federal Acquisition Regulation (FAR) clearly provides that agencies shall use performance-based service contracting methods to the maximum practicable for the acquisition of services. The only exceptions to this requirement are for:

- a. Architect-Engineer (A-E) services
- b. Construction
- c. Utility services
- d. Services that are incidental to supply purchases

Services represent approximately 30 percent of our acquisition dollars and 40 percent of our actions. This is by far the Army's largest single acquisition category, and has been increasing at a rate of one to two percent per year.

In response to an April 5, 2000, policy requirement from Dr. Gansler, the Army developed a PBSA implementation plan to increase the use of performance-based service acquisition strategies. The Army's plan reflects the Office of the Secretary of Defense policy by mandating that a minimum of 50 percent of service acquisitions, measured in both dollars and actions, be performance-based by the year 2005. The Army's plan further reflects that our core-contracting workforce will be current in PBSA training within 2001. The Army's plan was tasked to all Major Commands (MACOMs) for implementation under the signature of the Deputy Assistant Secretary of the Army (Procurement). The importance of performance-based contracting is underlined by the fact that it is a significant component of Government reform in President Bush's Budget Plan.

A prime purpose of this memorandum is to re-emphasize the fact that you are the senior leaders in the Army's systems acquisition community, and as such, I am depending on you to lead the way in implementing PBSA to the maximum extent practicable. The Army's 50 percent PBSA usage goal is in jeopardy without your active participation and leadership.

The goal of the PBSA training is to make sure that our workforce is current in the knowledge and skills required to implement PBSA to the maximum extent practicable, while at the same time providing time-sensitive and mission-critical acquisition support to our customers. Thus, PBSA training is essential in order for your organization to meet this utilization goal. Accordingly, I am requiring that your relevant workforce be current in PBSA training within 12 months from the date of this memorandum. The National Association of Purchasing Management (NAPM) and National Contract Management Association (NCMA) on-line PBSA course is but one of numerous training resources available. A link to the on-line NAPM-NCMA course is at <http://ncma-napm.org>. Additional assistance in this area can be found at the summary of the on-line NAPM-NCMA PBSA course enclosed with this memorandum.

Thank you in advance for your effort and contributions. The SAALT point of contact for this action is Mr. Robert Friedrich, SAAL-PS, (703) 681-7577, DSN 761-7577, e-mail: robert.friedrich@saalt.army.mil.



Kenneth J. Oscar
Acting Assistant Secretary of the Army
(Acquisition, Logistics and Technology)

Enclosure

DISTRIBUTION:

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PROGRAM MANAGERS

Headquarters, U.S. Army Materiel Command, 5001 Eisenhower Avenue,
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Joint Simulation System (JSIMS), 12249 Science Drive, Suite 260, Orlando,
FL 32826-2900
U.S. Army Communications-Electronic Command, Joint Technical Radio
Systems-G/A (JTRS-G/A), Fort Monmouth, NJ 07703-5505

CF:
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Course Summary

Introduction:

This course was developed, prepared, and is offered for the widespread and multifunctional acquisition workforces of Government and industry. You can learn about Performance-Based Service Acquisition (PBSA) through a practical, hands-on curriculum that emphasizes how you do PBSA, and does not merely present content material defining what it is.

While this is an entry-level offering for PBSA, the learner should already:

- Understand the fundamental requirements for acquiring goods and services under the Federal Acquisition Regulation (FAR) Part 15 (Contracting by Negotiation)
- Review the definition for "Commercial Item" under FAR 2.101

The Opportunity:

This special 24 hour educational opportunity challenges learners to participate proactively in the planning, development, and execution of a performance-based service contract (PBSA). Performance-Based Service Acquisition is a major initiative of the Federal Government. This initiative is intended to bring about practical acquisition reform throughout the Federal Establishment. PBSA offers the public and private sectors an opportunity to:

- Engage in best-value contracting
- Utilize effective partnering arrangements
- Establish innovative performance incentives
- Work together in realizing beneficial cost reductions

Working as partners, the National Association of Purchasing Management (NAPM) and the National Contract Management Association (NCMA) have developed and will operate this unique educational opportunity for the government. The program development work also included contributions from the Department of Defense.

The Teaming Challenge:

The course is a self-directed, asynchronous web-based learning course which you can take anywhere at anytime because it's available 24 hours, seven days a week. Although you may prefer to work alone, you can also register as part of a team. Team size can vary and should support agency activities and other requirements.

Or, you can complete it individually at your own pace, and determine your own path through the program. (If you are unfamiliar with the material, a suggested path is emphasized.) However, by teaming with others in your organization you will experience the benefits of collaboration with other learners and share knowledge with colleagues in other organizations which will expand your viewpoint of the subject matter.

The Learning Challenge:

First, you'll notice the challenging concepts of Performance-Based Service Acquisition are presented in a series of lessons.

- Performance-Based Service Contracting in a Teaming Environment
- Requirement Determination and Market Research
- Business and Compensation Arrangements
- The Job Analysis Process
- Performance Work Statements (PWS) or Statements of Work (SOWs) and Performance Measurement
- Concerns and Issues of PBSA Solicitation
- Post-Award Administration
- Contract Closeout

Next, you will see and click on smaller bits of information called learning objectives within each lesson. These learning objectives explain the concepts and may be followed by short learning activities that allow

Course Summary

you to practice and test your knowledge. To keep track of your progress through the program, look for the check marks by each section of material you have successfully completed. At various times during the program, you will be given a choice to either continue with the content, or practice the skills and concepts you've learned by solving problems in true-to-life case scenarios.

The Process:

PBSA is a self-administered, linear, asynchronous, web-based learning program. Registration is controlled and the program tracks progress by participants and commands. The data generated will be available to commands and administrators to evaluate participant progress in the program.

The Results:

- After completing this program, learners will be able to participate productively in the
- Planning
 - Development , and
 - Execution of a performance-based service contract.

Participants will receive a certificate of completion for 24-hours of educational credit upon completion of this program.

Administration:

The instructional program is available 24 hours every day. Although participants may work alone, it is always beneficial when personnel register and go through the course in teams. Team size can vary and should support agency activities and other requirements. If you have questions, or encounter any problems with registration, please call NAPM's customer service department at 800/888-6276, extension 3072. The cost per participant is \$100.

